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FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

18 OCT 1993

IN REPLY REFER TO:

CN9304038

Honorable Max Baucus
United States Senator
211 North Higgins Avenue
Missoula, MT 59802

93-253
RECEIVED
OCT 19 1993
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Senator Baucus:

This responds to your letter of September 27, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. Your constituent, Earl Owens, General Manager of Blackfoot Telephone Cooperative, Inc., expresses support for a PCS licensing structure that permits licensing of small and rural telephone systems under an auction regime.

On September 23, 1993, the Commission adopted final rules to govern PCS as well as a Notice of Proposed Rule Making seeking comment on auction rules that would be used to select PCS licensees. The Commission allocated a total of 120 megahertz of spectrum for licensed PCS and permitted telephone companies without cellular interests to aggregate up to 40 megahertz of this spectrum (the maximum authorized any licensee). Telephone companies with cellular interests will be restricted to 10 megahertz in a PCS service area in which they own twenty or more percent of a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. Local exchange carriers are permitted to apply for PCS licenses on the same basis as other applicants, except insofar as they hold interests in cellular operations.

The Commission adopted 492 local service areas based on Basic Trading Areas (BTAs) and 51 regional service areas based on Major Trading Areas (MTAs). The 120 megahertz is divided into two 30 megahertz MTA blocks, one 20 megahertz BTA block, and four 10 megahertz BTA blocks. The Commission's licensing scheme will result in from three to seven licensees in each area, depending on aggregation in the auction process. In a companion Notice of Proposed Rule Making, PP Docket [REDACTED] the Commission proposed licensing preferences in one 20 megahertz and one 10 megahertz frequency block for rural telephone companies, small businesses, and businesses owned by minorities and women.

Honorable Max Baucus

2.

The Commission's decisions addressing PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to ensure expeditious provision of PCS in both urban and rural areas. I am attaching the press releases for the dockets addressed above that more fully describe the Commission's actions.

Sincerely,

A handwritten signature in black ink, reading "Thomas P. Stanley". The signature is written in a cursive, flowing style with a large initial "T".

Thomas P. Stanley
Chief Engineer

Enclosures

MAX BAUCUS
MONTANA

United States Senate

WASHINGTON, DC 20510

September 27, 1993

WASHINGTON, DC
(202) 224-2651

MONTANA TOLL FREE NUMBER
1-800-332-6106

Ms. Linda Townsend Solheim
Director, Legislative Affairs
Federal Communications Commission
1919 M Street, N.W.
Room 808
Washington, D.C. 20554

Dear Ms. Solheim:

I am sending the enclosed communication from one of my constituents for your consideration. I would very much appreciate your comments on this matter.

Please direct your reply and any questions to my Missoula field office:

Senator Max Baucus
211 North Higgins Avenue
Missoula, MT 59802
406-329-3123

Thank you for your assistance.

With best personal regards, I am

Sincerely,
Max Baucus

MSB/te
Enclosure

BLACKFOOT TELEPHONE COOPERATIVE INC.

1112 N. RUSSELL STREET PHONE (406) 721-2121
MISSOULA, MONTANA 59802-1898

SEP 23 1993

August 31, 1993

The Honorable Max Baucus
Room 706
Hart Senate Office Building
Washington, D.C. 20510

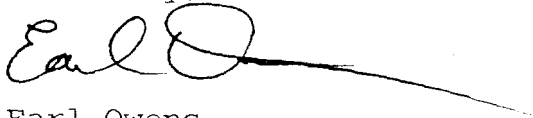
Dear Senator Baucus:

I am writing to ask you to contact Federal Communications Commission Chairman James H. Quello and Commissioners Andrew C. Barrett and Ervin S. Duggan strongly encouraging them to fully achieve the objectives of the recently-passed budget reconciliation law by ensuring that small and rural telephone systems are able to provide new services, such as PCS, under an auction regime.

The budget reconciliation law requires the FCC to ensure new technologies are rapidly deployed in rural areas. It also requires that licenses be distributed to a wide variety of applicants, including rural telephone companies.

Small and rural telephone systems are best situated to assure new services and technologies reach rural subscribers. They have a proven track record of delivering state-of-the-art technologies to their subscribers in rural America. Please urge the FCC to ensure that we can continue to do so.

Sincerely,



Earl Owens
General Manager

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